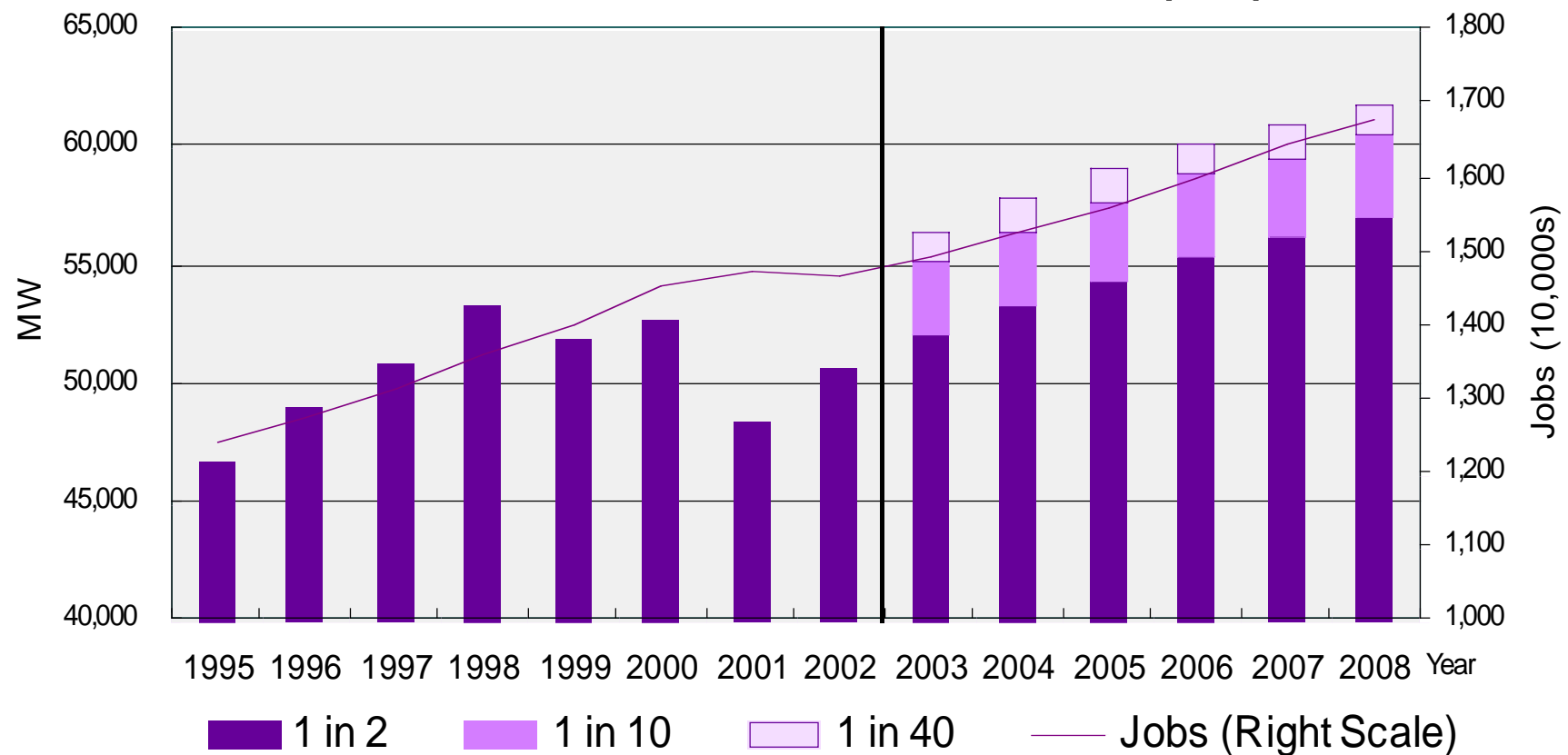




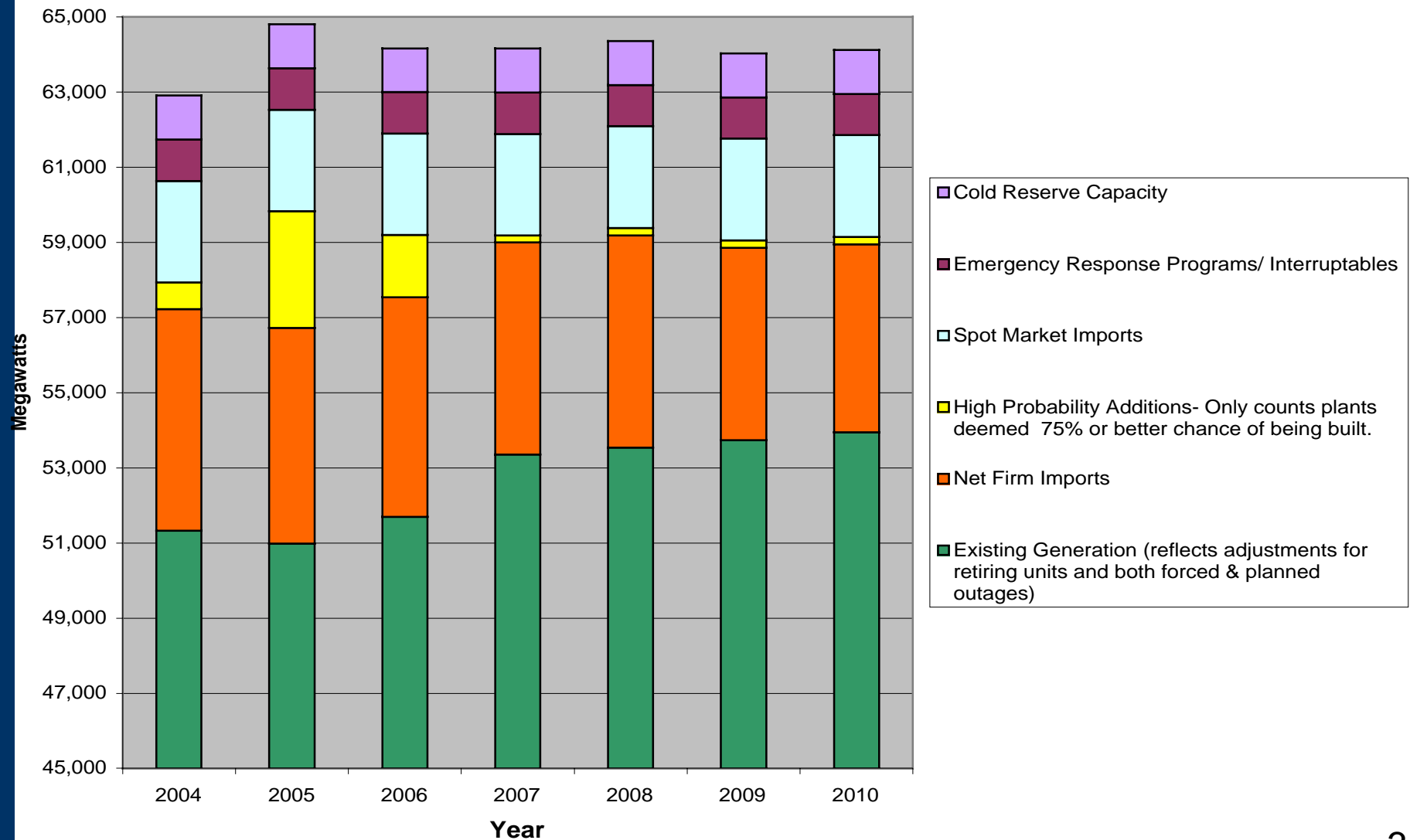
Electricity Demand Trends

Statewide Coincident Peak Demand (MW)



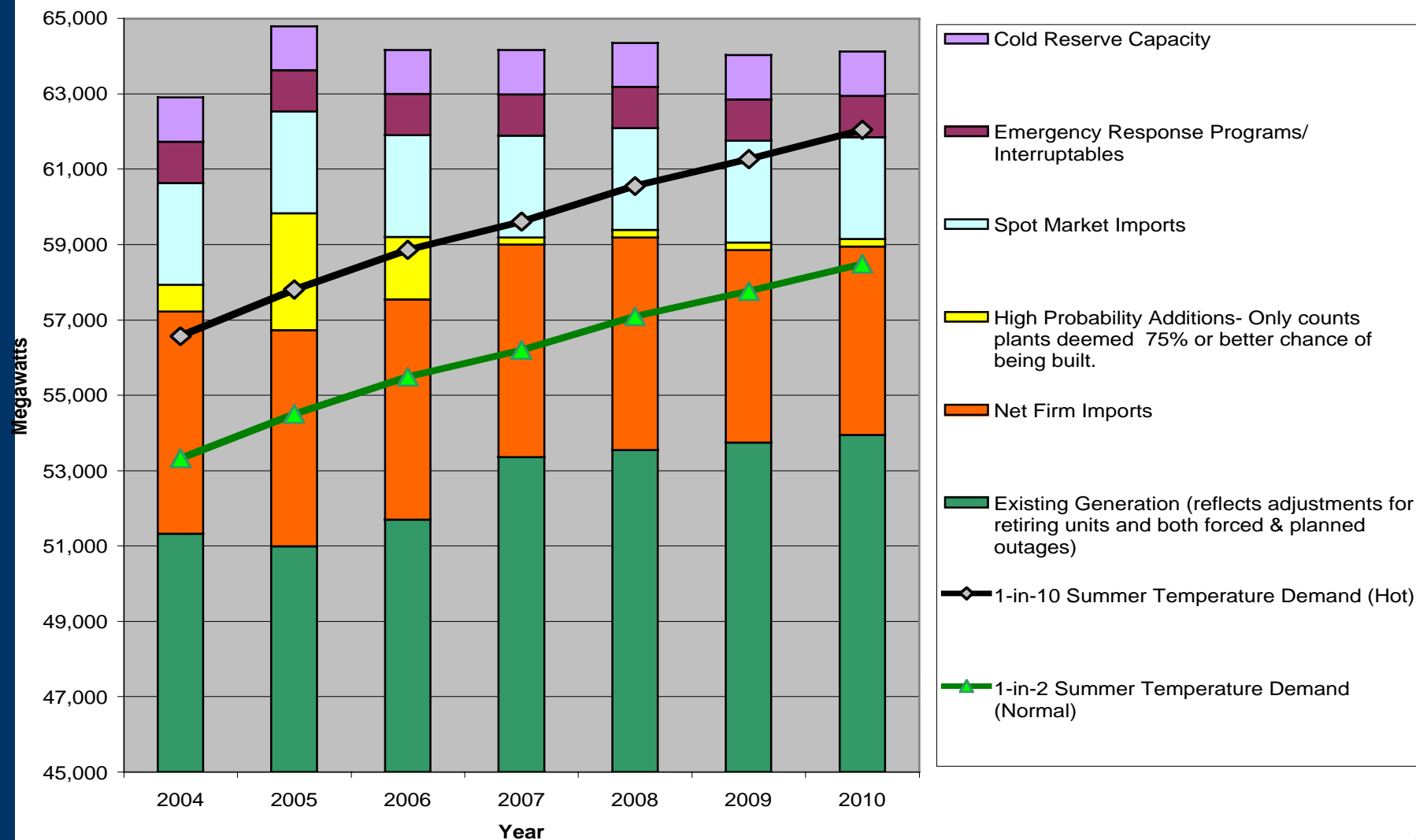


Projected 2004 – 2010 Supply



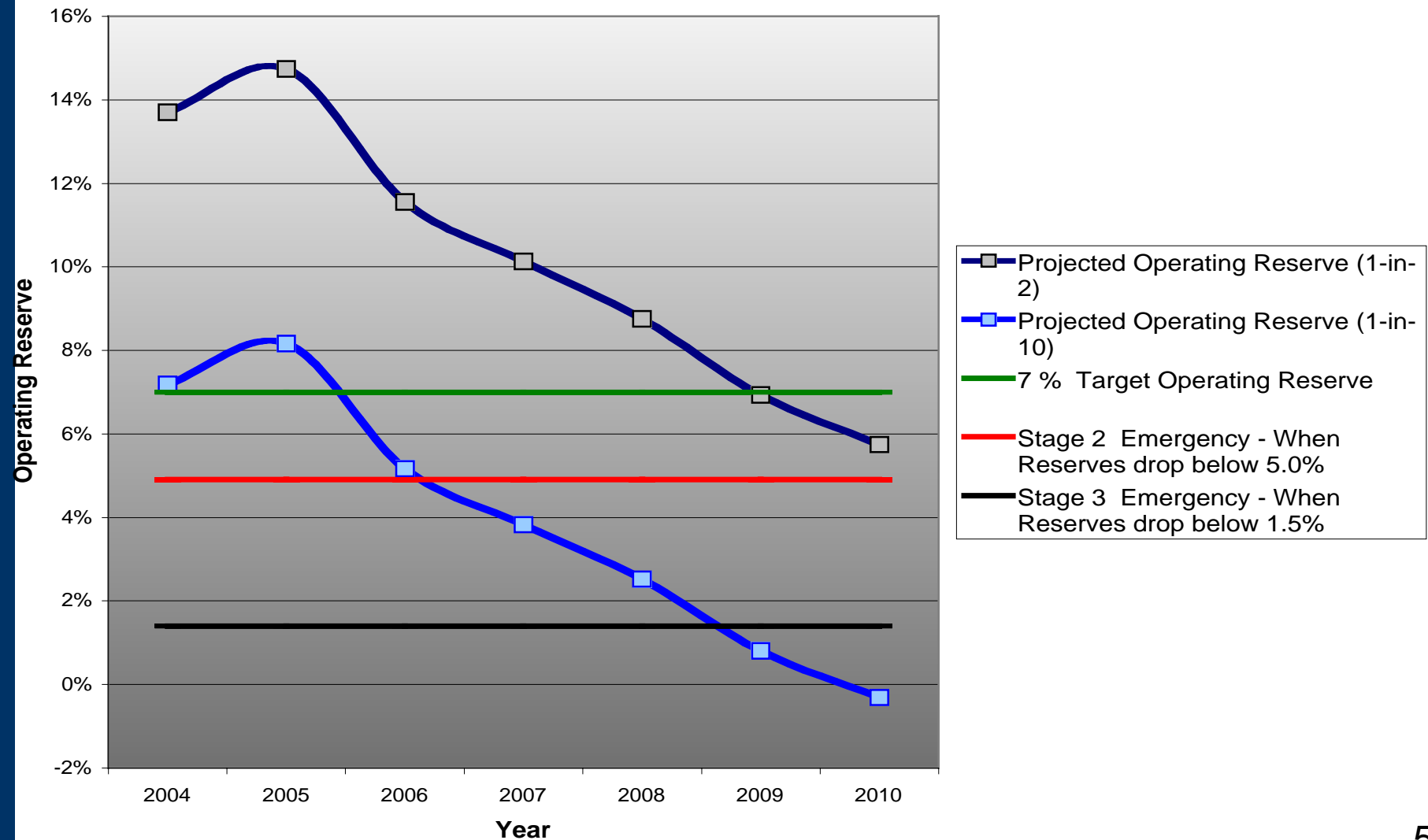


Supply/Demand Balance





Projected Operating Reserves





Potential Energy Savings and Generation Additions from Demand Reduction, Demand Response, and Renewable Generation Program Goals

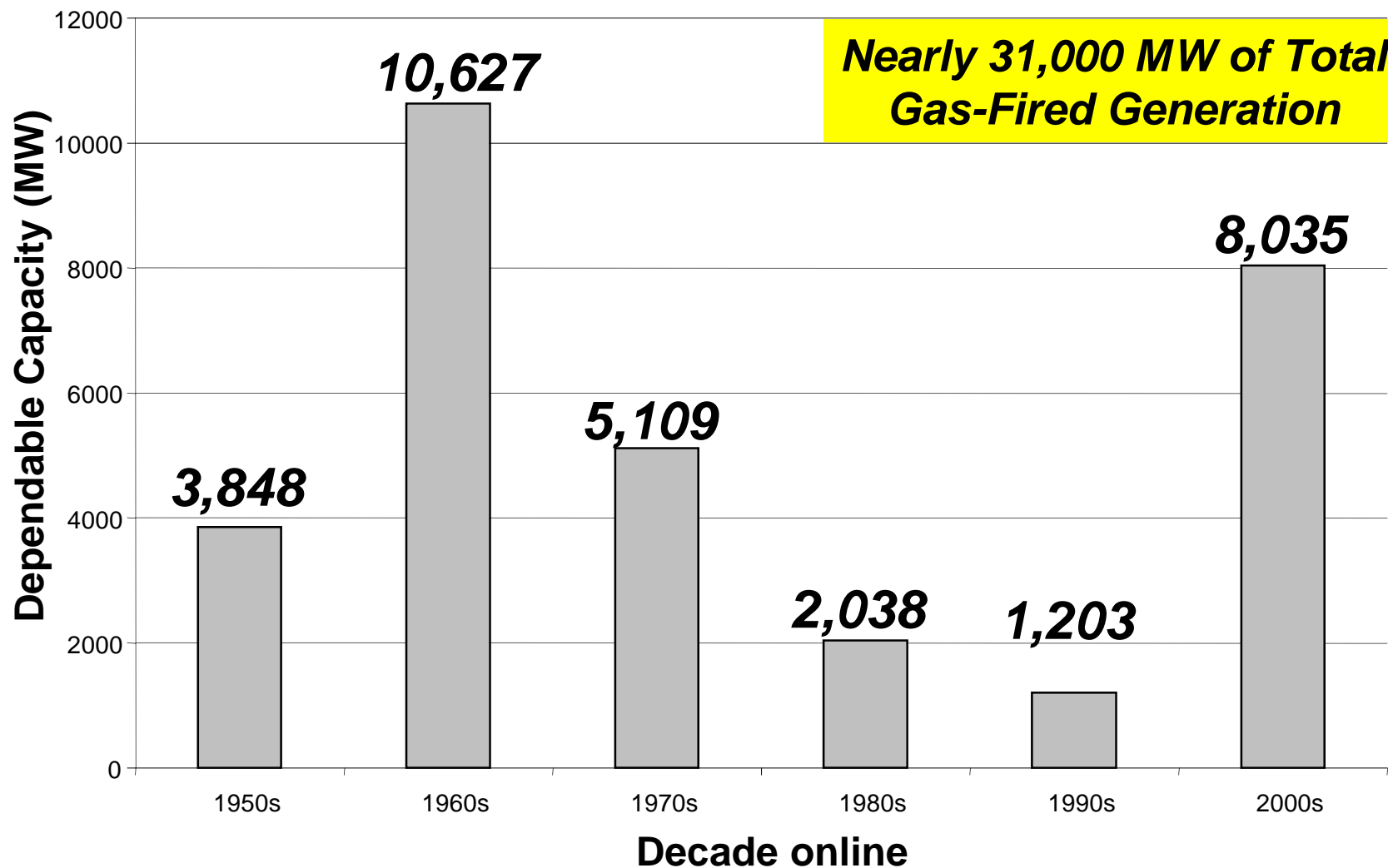
	2004	2005	2006	2007	2008	2009	2010
	<i>Megawatts</i>						
High DSM Scenario Peak Demand Reduction	1	145	414	712	983	1,205	1,395
Incremental New Renewables Goals of Energy Action Plan ¹	36	50	145	246	352	461	567
Demand response goals from D-03-06-032 ²	859	1,125	1,522	1,925	1,965	1,972	2,006
Total (MW)	896	1,320	2,081	2,883	3,300	3,638	3,968

1. Dependable Capacity during Peak Hours

2. CPUC Interim Opinion In Phase 1 Addressing Demand Response Goals And Adopting Tariffs And Programs For Large Customers



California's Natural Gas Power Plants Are Aging





Plant Retirement Issues

- Market forces are currently working to retire uneconomic plants.
- Not all aging power plants are a problem.
- Resource Adequacy requirements are one way to mitigate reliability concerns.
- Aging Power Plant Study to be conducted as part of 2004 IEPR update.